

Wednesday, October 10, 2007

| House Meets At... | Votes Predicted At... |
|-------------------------------------|-----------------------|
| 10:00 a.m. For Legislative Business | Last Vote: 6:00 p.m. |
| Ten "One-minutes" Per Side | |

Any anticipated Member absences for votes this week should be reported to the Office of the Majority Whip at 226-3210.

Floor Schedule and Procedure

- **H. Res. 720—Rule providing for consideration of H.R. 2895 - National Affordable Housing Trust Fund Act of 2007 (Rep. Castor—Rules):** The structured rule provides one hour of general debate controlled by the Committee on Financial Services. The rule makes in order the Financial Services Committee reported substitute. The rule also provides one motion to recommit with or without instructions. Debate on the rule will be managed by Rep. Castor, and consideration will proceed as follows:
 - One hour of debate on the rule.
 - Possible vote on a Democratic motion to move the previous question. **Democrats are urged to vote yes on the motion.**
 - Vote on adoption of the rule. **Democrats are urged to vote yes on adoption of the rule.**
- **H.R. 2895 - National Affordable Housing Trust Fund Act of 2007 (Rep. Frank – Financial Services):** Pursuant to the rule, debate on the bill will be managed by Financial Services Committee Chair Rep. Barney Frank, or his designee, and will proceed as follows:
 - One hour of debate on the bill.
 - Debate and votes on amendments to the bill.
 - Possible debate and vote on a Republican motion to recommit the bill.
 - Vote on final passage of the bill. **Democrats are urged to vote yes on final passage.**
- **H. Res. 719—Rule providing for consideration of H.R. 3056-Tax Collection Responsibility Act of 2007 (Rep. Cardoza – Rules):** The closed rule provides one hour of debate in the House equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Ways and Means, modified by the amendment printed in the Rules Committee report, shall be considered as adopted and the bill, as amended, shall be considered

as read. The rule provides one motion to recommit with or without instructions. Debate on the rule will be managed by Rep. Cardoza, and consideration will proceed as follows:

- One hour of debate on the rule.
 - Possible vote on a Democratic motion to move the previous question. **Democrats are urged to vote yes on the motion.**
 - Vote on adoption of the rule. **Democrats are urged to vote yes on adoption of the rule.**
- **H.R. 3056-Tax Collection Responsibility Act of 2007 (Rep. Rangel – Ways and Means):** Pursuant to the rule, debate on the bill will be managed by Ways and Means Committee Chair Rep. Charles Rangel, or his designee, and will proceed as follows:
 - One hour of debate on the bill.
 - Possible debate and vote on a Republican motion to recommit the bill.
 - Vote on final passage of the bill. **Democrats are urged to vote yes on final passage.**

Bill Summary and Key Issues

H.R. 2895 - NATIONAL AFFORDABLE HOUSING TRUST FUND ACT OF 2007

Funding: Funding sources include amounts from the GSE Affordable Housing Fund (H.R. 1427), FHA savings from enactment of the “Expanding American Homeownership Act” (HR 1852), and any other sources of funds subsequently identified. The goal is to construct, rehabilitate, and preserve 1,500,000 units of housing over the next 10 years.

Formula: HUD allocates funds under a formula it must develop, using factors including population, housing costs, affordability, and state of the housing stock. 60% of funds go to participating local jurisdictions and 40% goes to states, Indian Tribes and insular areas. If nationwide funding in a year is less than \$2 billion, localities entitled to less than a \$750,000 minimum will have their share go to the state in which they are located.

Eligible Uses of Trust Fund Monies: The bill would allow Trust Fund monies for construction, rehabilitation, acquisition, preservation incentives (including for manufactured housing and community land trusts) and operating assistance to facilitate affordability. Funds may be used for both rental housing that is affordable and for down payment and closing cost assistance by first time homebuyers.

Targeting/Affordability: All Trust Fund monies must be used for low income families (below 80% of state or local median income), except that this income ceiling is reduced to 60% of local median income if annual funding in any year is less than \$2 billion. At least 75% of funds must go to extremely low-income families (below 30% of median income or below the national poverty level). At least 30% of funds must go to families with incomes below the SSI income limit. In addition, at least 10% of funds must go to families with incomes over 50% of

the local area median income. Projects must be affordable for tenants, and projects assisted with trust funds must be mixed income.

Eligible Recipients of Trust Fund Monies: Eligible recipients to receive and utilize grants include any organization, agency, or other entity (including for-profits, nonprofits, faith-based organizations, CDFIs, CDC, and state and local trust funds) that has demonstrated the experience, ability, and capacity to carry out the proposed use of funds.

Selection of Projects for Use of Grant Funds: Grantees must develop an allocation plan, under which grants are provided under a competitive selection process using criteria in the bill. Grantees must provide funds to rural areas proportionate to identified need in those areas. However, HUD allocates all of the money for Indian Tribes by competition.

Match Requirement: Each grantee must match Trust funds with 12.5% in state, local, or private resources or 25% in federal resources (or a combination). Up to 33% of the match may come through binding commitments to provide services for residents. The match may be reduced or waived where a zoning variance or regulatory barrier waiver was required to site the project, or where HUD determines the grantee is in fiscal distress.

Prohibited Uses: The bill prohibits recipients from using funds for administrative costs or expenses, political activities, advocacy, lobbying, counseling services, travel expenses, and preparation of or advice on tax returns. HUD shall limit the percentage of funds grantees may use for administration, in an amount not to exceed 10%. Program participants must comply with all rules, and grantees must prepare annual fund use reports. HUD may terminate or withhold funds in cases of misuse of funds.

Anticipated Amendments to H.R. 2895

Frank (MA): This amendment would establish a state minimum allocation percentage, under which every state will receive at least one half of one percent (.5%) of the total funds available each year that are allocated to states, Indian Tribes, and insular areas. Allocations to all other states would be reduced pro rata to bring these states up to this .5% minimum. The amendment would also provide that the local jurisdiction in each state that is slated to receive the largest amount by formula in such state would be entitled to receive such funds directly [notwithstanding the bill's provision that jurisdictions entitled to less than \$750,000 by formula shall have their funds reverted to their state in any year that nationwide funding is less than \$2 billion]. The amendment includes a technical clarification to ensure that the mixed income limitation capping the number of units initially rented to extremely low income families at 50% applies to all of the units in a project [not just those units assisted by trust fund dollars]. The amendment would provide that the exception to the mixed income rule applies to all "elderly only" projects, not just those projects of 25 or fewer units. Finally, the amendment would provide that nothing in the bill allows any payments under the bill for any individual or head of household that is not a legal resident. (10 minutes)

Frank (MA): This amendment would add additional flexibility to permitted fund uses, by allowing a grantee to use up to 10% of their funds for project operating accounts to cover shortfalls for projects assisted with trust fund dollars, to facilitate affordability for families below the SSI income limit. (10 minutes)

Hastings (FL): This amendment would amend the Affordable Housing Trust Fund homeownership counseling criteria to include flood or other disaster specific insurance in applicable regions. (10 minutes)

Inslee (WA): This amendment would include among the factors for consideration in selecting applicants to receive Trust Fund grant amounts, a consideration of the extent to which the design, construction, and operation of the housing reduces utility costs for residents. (10 minutes)

Woolsey (CA): This amendment would allow grantees to give preference to public employees, including first responders and teachers, who cannot afford to live in high-cost areas. These workers would have to meet the income eligibility requirements stated in the text of H.R. 2895. (10 minutes)

Langevin (RI): This amendment would direct the Secretary of Housing and Urban Development to establish an internet-based "Green Housing Clearinghouse" including best practices, technical recommendations and other informational material regarding green building techniques. Additionally, grantees would be required to self-certify how many of the total units they built with money from the national affordable housing trust fund were green. (10 minutes)

Van Hollen (MD): This amendment would provide that, for the purpose of increasing accountability, previous grant recipients applying for new grants must include in their applications progress reports for projects for which they used funds in the previous fiscal year. (10 minutes)

Neugebauer (TX): Amendment in the Nature of a Substitute. This substitute amendment would establish a National Affordable Housing Grant Fund program within the HOME program, which is currently administered through the U.S. Department of Housing and Urban Development. (20 minutes)

H.R. 3056 TAX COLLECTION RESPONSIBILITY ACT OF 2007

Repeal of IRS authority to enter into private debt collection contracts. The provision would repeal the IRS's authority to enter into contracts with private companies to collect Federal income taxes.

Delay application of withholding requirement on certain governmental payments for goods and services. The provision would delay, for one year (to December 31, 2011), the application of the three percent withholding requirement on government payments for goods and services.

Clarification of entitlement of Virgin Islands residents to protections of limitations on assessment and collection of tax. The provision would extend to residents of the Virgin Islands the same administrative and procedural

protections that are available to U.S. taxpayers, such as a three-year statute of limitations on collections

Revision of tax rules on expatriation. The provision would impose an immediate tax on individuals that renounce their U.S. citizenship and would mark-to-market gains on property of expatriating individuals.

Repeal of suspension on certain penalties and interest. The provision would repeal the suspension of interest and penalties on certain tax deficiencies (e.g., due to negligence) where the IRS has notified a taxpayer after 36 months.

Increase information return penalties. The provision is a scaled-back version of the Treasury Department's proposal to increase penalties (per return and annual cap) on failures to provide Form 1099 information returns.

Increase corporate estimated tax payment requirements. The provision would temporarily increase, for three months in 2012, required estimated tax payments for certain large corporations.

Quote of the Day

"Be the change that you want to see in the world." -Mohandas Gandhi

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